The collection of land revenue in the current year, though a major portion of it had already been collected before the cyclone, stands reduced by Rs. 13,500. It would also be not a surprise if the actual collections under Abkari and Ganja do not come up to the expectations of the revised estimate. Appreciable reduction in the secondary and primary school fees is also expected; the House is aware Government have empowered the Director of Public Instruction to grant fee concession to deserving students. Then, collections in the Devaswam Department and the several estates which are under the management of the State would also considerably fall thus causing the Treasury balances to go down, and the result would be larger drawals on the cash reserves of the State to meet our day to day cash requirements. To meet the immediate distress following the cyclone a sum of Rs. 1½ lakhs was forthwith sanctioned by the Government and more than three-fourths of that amount has already been drawn and disbursed among the needy and poor. Tentatively Rs. 2 lakhs has also been provided in the current year's budget to be utilised for giving agricultural and house construction loans to those affected by the cyclone. This provision is only tentative and pending final orders on the proposals before the Government. The effects of the War on the one hand which are beginning to be felt more and more severely both on the revenue and expenditure side of our budget and the acute conditions brought about by the cyclone havoc have greatly influenced the preparation of the current year's revised and the next year's budget estimates.

Before going further into the details of the estimates for the next year I would draw your attention to the position of our finances as it stood at the end of the last year and also as it is expected to stand at the end of the current year.

THE ACTUALS OF THE YEAR 1115

We anticipated this time last year that the year 1115 would close with a surplus of Rs. 7·87 lakhs. Fortunately the actuals exceeded our expectations and the surplus rose to Rs. 10·78 lakhs. On the revenue side there has not been very great difference between the revised estimate of last year amounting to Rs. 111·9 lakhs and the actuals of Rs. 112·7 lakhs; the difference has been completely on the expenditure side. The total expenditure stood at Rs. 101·9 lakhs as against the anticipated revised estimate of Rs. 104 lakhs. The chief reasons for the variation between the budget estimates and actuals of last year have been a reduction of Rs. 77,000 in Public Works on account of the reservoir for the Chittur irrigation system, investigations on which are only still proceeding, Rs. 49,000 under Education due to savings under establishment charges, and Rs. 50,000 under

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Forests and Tramways on account of reduction in transport charges of timber and also due to sale of released tramway rails. There have been reductions in expenditure under Land Revenue, Panchayats, Matches and Income-tax. Under Railway and Miscellaneous there was also increase in expenditure against anticipations, the former on account of larger maintenance cost and the latter on account of the contribution given to His Excellency the Viceroy's War Purposes Fund and also expenditure incurred under " Defence Measures".

THE REVISED ESTIMATES OF THE YEAR 1116

Coming to the current year we expect that the revenue of the State would show an increase of Rs. 5·7 lakhs over the budget estimate of Rs. 114·5 lakhs. The expenditure also is expected to rise : 2·7 lakhs over the budget estimate of Rs. 108·97 lakhs. The net result would be that the current year is expected to close with a surplus of Rs. 8·6 lakhs. We have been fortunate that both in the actuals of last year and the revised estimates of the current year the finances of the State have shown a distinct tendency to improve.

Compared to the budget estimates of the current year the revised estimates under Receipts show an increase of

Rs. 1·62 lakhs under Railway
Rs. 1·28 „ under Forests andTramway
Rs. 1·16 „ under Customs
and Rs. 1·00 „ under Income-tax.

This is satisfactory. There have also been increases under Stamps, Abkari and Ganja, Interest and Miscellaneous. Though under Land Revenue proper there is a fall of Rs. 13,500 in the current year this has been to a very large extent made up by increased receipts expected under Miscellaneous of the Land Revenue department with the result that in the totals the revised estimate is almost equal to the budget estimate itself. There has been a small reduction of Rs. 16,000 under Public Works receipts and Rs. 55,000 under Matches. The reason for the fall under Matches is more on account of the fact that there has been a change in the period of the dates in the adjustment of revenue between the State and the Government of India. Complete details have been given in the Explanatory Memorandum.

So far as the expenditure of the current year is concerned against a decrease under Railway, Education and Matches there have been increases in a large number of account heads mostly under Miscellaneous, Public Health, Forests and Tramway, State

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